Introduction

This article examines the conditions under which a crime-terror nexus fails to emerge and explains what may arise in its place. The lack of a nexus in many “hot spots” around the globe is often overlooked in the comparative literature, which tends to emphasize its prevalence rather than its absence (Dishman, 2001; Sanderson, 2004; Shelley, 2005). A study on why a nexus does not materialize, therefore, is not only valuable for its intrinsic importance to international peace and security, but also because it constitutes a “negative case” that tests the explanatory power of existing theory on the crime-terror nexus (Mahoney and Goertz 2004). Through the example of Russia, utilizing a combination of quantitative and qualitative methods, we demonstrate that the nature of organized criminal networks, drug trafficking, state authority, and non-state violence – both within a country and transnationally – can undercut the emergence of a stable, consolidated crime-terror nexus.

By most accounts, Russia’s North Caucasus appears to epitomize the convergence of terrorist networks with the criminal world, according to the scholarship on the crime-terror nexus (Dishman, 2001; Makarenko, 2004). In the Chechen republic, in particular, separatist groups with ties to the global jihadi movement have been known for their deep involvement in crime that provided revenue for their violent operations (Pauli 2001; Hahn 2012). Today, the broader North Caucasus is plagued by the phenomenon of “Afghanization” – an explosive situation produced by a combination of militancy, poverty, organized crime, and externally sponsored Islamic radicalization (Cornell 2012). In addition, Russia has been a transit as well as consumer country for Afghan opioids. About one-third of Afghan opium and heroin are trafficking through Central Asia, and about 85 percent of this volume is shipped onward to Russia (UNODC 2012). According to the Russian government, drug trafficking has fostered growing terrorist activity and furthered destabilization in the North Caucasus and beyond (Interfax-Russia, 2010).

Yet, no cohesive crime-terror nexus has materialized in the region. Indeed, despite the presence of conditions conducive to the emergence of linkages between organized criminal organizations and terrorist groups, we find only limited support for the presence of the traditional trafficking/terrorism nexus in Russia during the period of 2008-2016. The GIS-enabled visualizations of the drug trade and terrorism show diverse spatial patterns of drug trafficking and terrorist activity. Subnational statistical tests lend weak support to the impact of drug trafficking on the frequency of domestic terrorist incidents, as well as on the intensity of terrorist violence. We explain this phenomenon in a two-phased argument. First, we propose that highly fragmented political, economic and social conditions – particularly when they permeate a decentralized state apparatus – can prevent the coalescence of a crime-terror nexus. This is novel in that, while most explanations associate such conditions with a greater likelihood of a crime-terror nexus, we find that too much fragmentation prevents the kind of collaboration and coordination among groups to form a nexus. Second, we find that what emerges in its stead is an alternative type of nexus that is characterized by a complex array of groups, which are connected
by diffuse and fractured networks interwoven with and at times indistinguishable from political and state officials. In this “crime-state-terror” framework that we propose below, the primary relationships envelope a wide diversity of drug trafficking, organized crime, and militant groups, interwoven with the local and federal, security and political institutions of the state.

Our argument has implications beyond Russia, making several contributions to analyses of the crime-terror nexus generally. First, we counter trends in the literature that discount the importance of the state in the crime-terror nexus, limit it to the so-called “weak” or “failed” states, or treat the state as a single and unified entity. Although, the “unholy alliances” of criminal and terrorist network undermine state capacity, the state, especially its collusion in crime, plays a key integrated role with networks of criminal and terrorist actors (Mincheva and Gurr, 2013; see also Dishman 2005; Kupatatza 2012; Marat 2006). Second, although we follow the conventional usage by referring to the state in singular, our framework recognizes the multiplicity of the centers and agents of state power, both formal and informal. The state is present in various territories within its borders, and its “face” in these districts and provinces as well as its relations with the local forms of authority are rarely uniform. The state manifests itself through the performance of various functions tasked to different branches of state bureaucracy, as well as security and military institutions, which themselves exhibit spatial variations and changes over time. Third, our study illuminates how complex the actors within a purported nexus actually may be, demonstrating how, even when the state is involved, the cooperation between the them may not be forthcoming. Indeed, the sheer diversity of the so-called terrorist and militant groups that are competing for power and resources call for rethinking and reconceptualization of what we call a “terrorist group” and the data that we use to study terrorist violence. Likewise, the simple dichotomies of religious/nationalist or international/domestic do not accurately characterize the complex socio-political milieu filled with a variety of violent entrepreneurs seeking authority in the territory where they operate and control over the lucrative resources.

The remainder of this article consists of five sections. First, it reviews existing explanations in the literature for reasons why a nexus might fail to materialize. The second section presents the argument, which is centered on an alternative framework of a crime-state-terror nexus. The third and fourth sections provide empirical support for the argument: the former’s statistical analysis demonstrates why a nexus has not arisen across Russia’s regions and the latter’s case study of Dagestan fleshes out the crime-state-terror nexus. The final section concludes with future avenues of study.

The Crime-Terror Nexus: Obstacles to its Emergence

In examining the conditions that give rise to a nexus, crime-terror studies have demonstrated that an ideological divide between terrorist and criminal groups cannot be assumed to restrict them to their respective spheres of activity. Terrorist organizations seek to force political change by staging “terror” to influence public opinion. Criminal groups, on the other hand, seek a status quo that favors their illegal profit-making activities. The divergent aims and motivations of the terrorist and criminal groups, and the different tactics and operational characteristics that ensue, render these entities mutually exclusive in practice (Dishman, 2001; Sanderson, 2004; Shelley, 2005). Terrorist groups entering an illicit market represent a competitor for organized criminal organizations, which already have “in-house” capabilities for
pursuing the illicit business and rarely need collaboration with the terrorist groups. In practice, however, these groups often reach beyond such ideological divides to coordinate and collaborate.

The crime-terror literature, in seeking to explain the existence of the nexus, has staked a number of useful conditions and motivations enabling it to emerge. Studies began by assuming that terrorist and criminal groups are rational actors who forge alliances and engage in criminal and violent behavior when doing so facilitates the accomplishment of their goals. Any terrorist organization needs funds to survive and carry out its deadly operations. The direct costs of mounting an terrorist attack may be relatively low, but maintaining a terrorist network or its individual cells will drain up resources very fast. Terrorist groups have become increasingly versatile and opportunistic in meeting their financing needs (FATF/OECD 2008). When criminal activities promise high yield in revenues at a relatively low cost, terrorist groups can be expected to engage in crime or collaborate with the criminal networks. Illicit drug trafficking offers such a relatively low-risk business with low costs of entering into the drug trade and prospects of high profits. The presence of the drug trafficking networks may facilitate the movement of drugs from the terrorist group’s controlled territory and provide logistical support to the terrorist groups, and assistance with laundering the money (Clarke 2017; Hernandez 2013).

However, the presence of shared interests alone do not lead to the emergence of a nexus. In many instances, specific conditions can hinder the intersection of criminal and terrorist groups. First, the nature of non-state violence in a society may be particularly challenging to control, direct, and therefore depend on as a basis for crafting a nexus. What makes these “operational” relationships and alliances between the criminal and terrorist organizations possible is often the operational similarities of these groups, especially their control over violence. According to the crime-terror literature, terrorist and criminal organizations use violence and threats of violence in pursuit of their goals, and in order to do so, they operate clandestinely and circumvent the law, they draw from the same pool of recruits, and they adapt to changing environments (Dishman, 2001; Makarenko 2003; Shelly, 2002; Makarenko, 2003). Even when criminal and terrorist groups have strong incentives to use common pools of recruits or other shared resources, though, non-state violent actors may be so fluid as to undermine the ability of these groups to control them. This in turn hinders the development of long-term crime-terror ties. Such is the case in Dagestan, where militants and criminal actors not only drew from similar pools of recruits but also utilized the same individuals to carry out attacks. Yet, no stable, long-term relationships between the two sets of groups emerged in part because neither gained control over the “entrepreneurs of violence” that they occasionally utilized.1

Second, topographical and demographic conditions where criminal and terrorist groups operate can make a nexus less likely to materialize. Criminal and terrorist actors are affected by broadly similar opportunities and constraints, which have to do with the properties of the “space” that these groups seek to exploit and control. Some of these opportunities and constraints have to do with the geographic characteristics of the space. For example, the size of the territory, its topography, and the length and remoteness of its shared borders with other countries can make it more or less attractive to transnational crime, terrorism, and their intersections (Asal, Brinton, and Schoon 2015; Fearon and Laitin 2003). Other opportunities and constraints are socio-economic and demographic in nature. Thus, the scholarship on the crime-terror nexus has pointed to the potential effects of various demographic characteristics of the population (including its size, density, urban vs. rural makeup) (Ehrlich 2002; Frevtag et al., 2011; LaFree,

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1 The term “entrepreneurs of violence” is from Volkov 2002.
Gary and Duban 2004; Kis-Katos, Liebert, and Schulze 2011) in addition to levels of poverty, education, unemployment, and access to transportation networks that facilitate the emergence of the nexus. At the same time, however, these topographic and demographic patterns can facilitate the proliferation of such a variety of types of illicit transborder activity – such as smuggling various goods, human trafficking, drug trafficking, counterfeiting and money laundering activities, exploiting migrant labor, and racketeering, extortion and other organized criminal activity. Such a fragmented illicit economy, which generates multiple revenue streams, may reduce the economic benefits of a nexus. Such a fragmented illicit economy has defined much of Dagestan, one of the largest regions in Russia with the longest international border.

Third, the organizational attributes of terrorist groups, themselves, have also been named as contributors to the crime-terror nexus. These attributes include the nature of the terrorist groups’ leadership and its structure, size, and membership. When the terrorist groups’ leadership is less ideological or in disarray, when the group has a loose-knit decentralized structure, and when it attracts a sizable following of young and less ideological members, it is more likely to engage in criminal activity (Asal, Brinton and Schoon 2015; Edwards and Calum 2015). Conversely, the absence of common attributes across groups and actors will shape how these groups define their interests, thereby constricting the avenues to establish the ties that can underpin a nexus. In Dagestan, one of the most ethnically diverse and internally divided regions of Russia, criminal and militant actors are characterized by a range of complex, shifting religious ideological perspectives as well as multiple ethnic and sub-ethnic identities, making it difficult to bring groups into lasting arrangements.

Fourth, the crime-terror literature has suggested that criminal groups’ particular ties to the state might explain their interest in forming a nexus with their militant counterparts. In citing a number of examples of longstanding organized criminal groups – the Russian Mafia, the Sicilian Mafia, and the Hong Kong Triads – that have spurned any intersections with terrorist organizations (Chu, 2000; Gambetta, 1993; Shelley, 2005; Varese, 2001), these studies allude to the emergence of a “symbiotic relationship” and “political-criminal” alliances between the criminal groups and the state that discourage collaboration of criminal groups with terrorist organizations (Dishman 2001; Makarenko 2004). The literature, however, is relatively silent with regards to the specific roles and mechanisms of the state’s involvement in the nexus. In Dagestan, where both organized criminal actors and militant groups have placed persons sympathetic to their respective causes into the regional political establishment, the state has been at the center of the relationship between drug trafficking and violence.

As we show in the subsequent section of the article, Russia’s provinces have many of the geographic and socioeconomic determinants of the crime-terror nexus, and the prevalence of drug trade should make the crime-terror nexus more likely to emerge. However, these conditions are insufficient to account for the levels of terrorist violence in Russia. We explain the failure of a nexus to materialize by focusing more extensively on the role of the state – a central actor in the politics of the nexus that has been overlooked in other studies (Omelicheva and Markowitz, forthcoming). Indeed, as we demonstrate through the example of Dagestan, the defining conditions in southern Russia enabled varied and multiple actors to penetrate the state apparatus, reinforce a fragmentation of political authority, and diffuse power across disparate criminal and militant groups that see little advantage in pursuing a traditional crime-terror nexus. Instead, a far more contested and fragmented set of relationships has emerged that loosely links criminal, militant, and government actors.
Why a Nexus May Not Materialize

Our argument holds that, even when certain conditions favor the increases in terrorist violence and an expansion of illicit economic activity, a traditional crime-terror nexus may not emerge because the highly fragmented nature of political, economic and societal factors can undercut opportunities and incentives for the stable lines of a crime-terror nexus to emerge. Moreover, we contend that when a diffuse, fragmented set of networks of drug trafficking, organized crime, and militant groups merges with a highly decentralized state apparatus, an alternative type of nexus arises: a crime-state-terror nexus. As a concept, the crime-state-terror nexus is an analytical shortcut to describe a diffuse complex of networks interpenetrating the state, criminal groups, and militants. Far from a deliberate coordination or organized set of activities, this term refers to the highly fluid confluence of private and public, legal and illegal, economic and political interests and roles in the region. While the nexus may help to sustain old and generate new patronage systems connected to the state – including local and federal bases of authority that compete for power and access to resources – it does not stem from a centralized state or its local cronies. Instead, it emerges from a context in which state authority is fragmented and contested, arising when a state lacks consolidated control over a region’s political economy, fails to exercise a monopoly on violence, and has minimal control over the flows of legal and illegal resources. Even if the state carries an ability to deploy its coercive apparatus may suppress the levels of terrorist violence in the short run, the interpenetration of the state by militant and illicit commercial networks, including the drug trade, leaves these networks decentralized and fragmented, enabling criminal and militant groups to exploit state weakness without forging traditional linkages of a crime-terror nexus.

The Trafficking-Terrorism Relationship in Russia

To examine the relationship between drug trafficking and terrorism, we, first, map the locations of terrorist incidents and drug trafficking activity in Russia’s provinces during 2009-2016 and, next, examine this relationship statistically using separate models for spatial (time-invariant) and socio-economic predictors of trafficking and terrorism. We used the UNODC Individual Drug Seizures reports supplemented with the individual drug seizures data accessed through the UNODC’s Drugs Monitoring Platform to identify all known individual drug seizures in Russia’s provinces. The individual drug seizures’ locations were geo-coded for cartographic visitations and analysis, and aggregated by province and year by different drug categories (heroin, opium, and cannabis) for the province-level statistical analysis (see Omelicheva and Markowitz for further information on the methodology). The data on terrorist events come from the Global Terrorism Database (GTD), maintained by the National Consortium for the Study of Terrorism and Responses to Terrorism at the University of Maryland. The terrorist events contained in the GTD are already geo-referenced.

A map of the terrorist incidents and heroin seizures (see Figure 1) shows a considerable spatial overlap between drug trafficking and terrorist activity in Russia (a map of opium seizures shows a similar relationship to terrorism and is not included here). Large volumes of heroin were seized along Russia’s borders with Central Asia and South Caucasus. Russia’s North Caucasus has been the most volatile region of the Russian Federation with drug crimes constituting one of
the largest crime categories in the total registered crimes in Dagestan, Chechnya, and Ingushetia. Moscow and Moscow oblast, Voronezh, Perm, Novosibirsk, Omsk, Krasnoyarsk, Rostov-on-Don, and Chelyabinsk oblasts are the leading regions in terms of heroin seizures. These regions are also the communications and transportation hubs with sizable urban populations. Some of these regions and cities have had experiences with terrorism. The map also demonstrates that the volume of drug seizures does not necessarily correspond to the number of terrorist incidents in the region or their lethality. Some of the regions with high volumes of drug trafficking (e.g., Krasnoyarsk, Perm, Sverdlovsk, etc.) have seen no or few terrorist attacks and those terrorist incidents entailed no human casualties.

Figure 1.

Next, we tested for the impact of spatial (time-invariant) features of locations of terrorist incidents using the Peace Research Institute Oslo (PRIO) grid dataset (Tollefsen, Strand, and Buhau 2012) that we merged with the geocoded terrorist incidents from the GTD dataset. Our unit of analysis is a quadratic grid cell, which has a 0.5 x 0.5 decimal degree resolution roughly corresponding to 55 x 44 kilometers (3025 square kilometers) area. We extracted 12,700 cells covering all terrestrial areas corresponding to Russia’s territory. For each cell, we created three dummy variables denoting (1) whether a domestic terrorist incident took place during the study’s time frame; (2) whether an international terrorist incident took place during the same period; and (3) whether the location was a terrorist “hot spot” on the basis of a Getis-Ord Gi* hot spot
analysis (ArcGIS Resource Center 2012). We also calculated a total volume of drug seized (opium and heroin, and cannabis) in the cell during 2009-2016.

Our list of topographic predictors include urban land coverage, distance to the nearest contiguous country, distance to the capital, and mountainous area coverage. Our expectation is that areas that are urban and located in proximity to borders and capitals are more likely to experience terrorism than those that are agricultural and more remote from borders and capital centers. Mountainous areas are difficult to police, and they are also more likely to experience terrorist incidents. We use the percentage of the cell covered by urban area for 2010 (Meiyappan et al. 2012), the spherical distance in kilometers from the cell centroid to the border of the nearest land-contiguous neighboring country (Weidmann et al. 2010), the spherical distance in kilometers from the cell centroid to the national capital city (Weidmann et al. 2010), and the proportion of mountainous terrain within the cell (Blyth et al. 2002). We log distance to border and distance to capital to account for the possible diminishing effect that these geographical features have on the likelihood of terrorist incidents.

We also included a dummy variable for whether onshore petroleum deposits have been found within the grid cell for any given year (Lujala et al. 2007), and the number of excluded groups (discriminated or powerless) as defined in the GeoEPR/EPR data on the status and location of political relevant ethnic groups settled in the grid cell for the given year (Vogt et al 2015).

Because our dependent variable is a binary indicator denoting whether or not a specific cell experienced a terrorist attack or was a “hot spot”, we employ a logistical regression model. Table 1 reports the parameter estimates for the impact of opioid seizures on the likelihood of domestic terrorist incidents (Model 1), international terrorist incidents (Model 2), and that location is a “hot spot” of terrorism (Model 3), with standard errors in parentheses. Models 4 – 5 use the total volume of cannabis seized in a cell among predictors of domestic and international terrorist incidents.

Table 1

<table>
<thead>
<tr>
<th></th>
<th>Domestic Terror 1</th>
<th>International Terror 2</th>
<th>Terror Hot Spot 3</th>
<th>Domestic Terror 4</th>
<th>International Terror 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opioid Seizures</td>
<td>0.00005</td>
<td>0.00006</td>
<td>0.00066</td>
<td>0.00029**</td>
<td>0.0001</td>
</tr>
<tr>
<td>(0.00003)</td>
<td>(0.00003)</td>
<td>(0.00005)</td>
<td></td>
<td>(0.0001)</td>
<td>(0.0005)</td>
</tr>
<tr>
<td>Cannabis Seizures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.742**</td>
<td>0.236**</td>
</tr>
<tr>
<td>(0.075)</td>
<td></td>
<td></td>
<td></td>
<td>(0.075)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Urban Coverage</td>
<td>0.749**</td>
<td>0.241**</td>
<td>0.261**</td>
<td>0.742**</td>
<td>0.236**</td>
</tr>
<tr>
<td>(0.075)</td>
<td>(0.063)</td>
<td>(0.061)</td>
<td></td>
<td>(0.075)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Distance to Border</td>
<td>-0.562**</td>
<td>-0.406*</td>
<td>-0.702**</td>
<td>-0.569**</td>
<td>-0.406*</td>
</tr>
<tr>
<td>(0.084)</td>
<td>(0.191)</td>
<td>(0.180)</td>
<td></td>
<td>(0.084)</td>
<td>(0.191)</td>
</tr>
<tr>
<td>Distance to Capital</td>
<td>-0.681**</td>
<td>-0.924**</td>
<td>-0.435</td>
<td>-0.67**</td>
<td>-0.908**</td>
</tr>
<tr>
<td>(0.177)</td>
<td>(0.344)</td>
<td>(0.422)</td>
<td></td>
<td>(0.177)</td>
<td>(0.344)</td>
</tr>
<tr>
<td>Mountain Coverage</td>
<td>1.696**</td>
<td>1.34</td>
<td>2.71**</td>
<td>1.71**</td>
<td>1.322</td>
</tr>
<tr>
<td>(0.373)</td>
<td>(0.853)</td>
<td>(0.747)</td>
<td></td>
<td>(0.375)</td>
<td>(0.849)</td>
</tr>
<tr>
<td>Petroleum</td>
<td>0.715</td>
<td>0.741</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(0.752)</td>
<td>(0.752)</td>
<td></td>
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</tbody>
</table>
The findings suggest that territories with the opium and cannabis seizures are not more likely to experience terrorist incidents than those without drug seizures. Only those cells where cannabis was seized were also more likely to experience domestic terrorist incidents. All other geographic predictors are in the expected direction and significant in most of the models. Urban areas are more likely to experience domestic and international terrorism, and they are also more likely to be “hot spots” for terrorist incidents. Distance to border and distance to capital is inversely related to all three measures of terrorism. To put it differently, territories that are in proximity to the capital and national borders with land-continuous counters are more likely to experience terrorist incidents. Areas with greater mountain coverage are also more likely to experience domestic terrorist incidents. Finally, areas with higher number of ethnic groups excluded from political life are also more likely to experience terrorist attacks.

We also separately examined socio-economic, demographic, and political variables that were suggested as determinants of terrorist and criminal activity at provincial level using Russia’s 85 subjects of the federation as units of analysis. In the provincial-level tests, we used three measures of terrorism: (1) a count of all unambiguous terrorist incidents in a province-year (Terror Count) (2) a total number of casualties (a sum of killed and injured) in all terrorist incidents in a province-year (Terror Casualties); and (3) an index of terrorism that captures its intensity by assigning weights to the counts of domestic terrorist incidents (each is multiplied by 1), the total number of fatalities caused by terrorist incidents (each fatality is multiplied by 3), and the total number of injuries caused by terrorism (each injury is multiplied by 0.5) in a province/year (Terror Index) (Hyslop and Morgan 2014). To measure drug trafficking, we summed up the volumes of heroin and opium seized in a province year, in kilograms (Opioids) and the total volumes of cannabis seized (Cannabis). Consistent with the discussion of socio-economic and demographic properties of space that make certain locations hospitable to terrorism and trafficking intersections, we included measures of economic performance, education, unemployment, poverty, and population. We used Gross Regional Product (GRP), which is an aggregate measure of the region’s economic activity characterizing manufacturing and services for final consumption (in mln of rubles) as a measure of the region’s economic performance. We used a log-transformation of the GRP variable. We chose infant mortality rate – number of infant death per 1000 born alive – as a proxy for poverty (Infant Mortality) and the number of students enrolled in the baccalaureate and masters level programs per 10,000 population as a measure of education (University Students). We also included Unemployment, which is an annual average of unemployment rate in the region (a percentage of those unemployed relative to the working age population), and Migration, a difference between the number of persons who arrived and left the territory of a region during the year (based on the mandatory registration by the agencies of the Ministry of Interior). Finally, we included the logged Population Density (total population divided by the size of the
territory) in all models. Our expectation is that more populous and economically developed territories with higher migration rates and lower mortality and unemployment rate will experience higher rates of terrorism. Territories with greater numbers of educational opportunities for youth will have lesser rate of terrorist incidents.

In addition to these socio-economic and demographic predictors, we included a measure of electoral democracy. Political regime has been identified as one of the determinant of terrorist activity. In particular, democracy has been associated with the higher levels of terrorist activity than authoritarianism (Piazza 2013; Qvortrup and Liphart 2013; Wilson and Piazza 2013). To measure the levels of electoral democracy in Russia’s regions (Democracy), we used the democracy index developed by Titkov (2016). It is a modified Vanhanen democracy index (Vanhanen 1984, 1990) adapted to the post-Soviet context. The index is calculated by the following formula: \( \text{Democracy} = \text{Context} \times ((\text{Voice} + \text{Exit})/2) \)

Where Contest is the level of political competition during elections calculated by Laakso and Taageper (1979) effective number of parties; Voice is the measure of degree of electoral participation; and Exit is the percentage of votes “against all”. The three measures of the index are converted into 1-5 scales and the ratings are used in the formula. We calculated the index using the average scores from the regional parliamentary elections and elections to Russia’s Duma. The data on the elections’ outcomes was extracted from the Central Election Commission of the Russian Federation.²

Table 2 contains results from a series of negative binomial regressions with the errors clustered by provinces. Model 1 and 2 report findings of the regression analyses of domestic and international terrorist events respectively. Model 3 uses causalities from domestic terrorist incidents as a dependent variable, and Model 4 – Domestic Terror Index as its output variable. Results for casualties and terror index from international terrorist incidents are similar to those from domestic terrorism and, therefore, are not reported here. Models 5 and 6 report findings with the total volume of cannabis seized included among repressors.

Table 2

<table>
<thead>
<tr>
<th></th>
<th>Domestic Terror 1</th>
<th>International Terror 2</th>
<th>Domestic Terror Casualties 3</th>
<th>Domestic Terror Index 4</th>
<th>Domestic Terror 5</th>
<th>Domestic Terror Casualties 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opioid Seizures</td>
<td>0.0002* (0.00008)</td>
<td>-0.013 (0.002)</td>
<td>0.0032 (0.0022)</td>
<td>-0.00015 (0.00014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cannabis Seizures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logged GRP</td>
<td>0.365*** (0.137)</td>
<td>0.272 (0.229)</td>
<td>0.429 (0.316)</td>
<td>0.53** (0.259)</td>
<td>0.36** (0.14)</td>
<td>0.522 (0.326)</td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>0.245** (0.106)</td>
<td>-0.171 (0.404)</td>
<td>0.743*** (0.234)</td>
<td>0.685*** (0.204)</td>
<td>0.25** (0.105)</td>
<td>0.777*** (0.23)</td>
</tr>
<tr>
<td>Migration</td>
<td>-0.007* (0.0039)</td>
<td>0.0119 (0.011)</td>
<td>0.011 (0.010)</td>
<td>0.013 (0.009)</td>
<td>-0.007* (0.004)</td>
<td>0.006 (0.011)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.08 (0.102)</td>
<td>0.033 (0.047)</td>
<td>0.304 (0.312)</td>
<td>0.369 (0.261)</td>
<td>0.077 (0.096)</td>
<td>0.308 (0.303)</td>
</tr>
</tbody>
</table>

At the provincial level, the higher volumes of opioid seizures are associated with higher counts of domestic terrorist incidents. However, drug seizures are only significant at p<0.1. There is no statistically significant impact of drug seizures on the lethality of either domestic or terrorist attacks. The total volume of the cannabis seizures does not have a statistically significant impact on domestic terrorist incidents, but it is negatively related to casualties from domestic terrorist attacks, and the latter relationship is statistically significant.

Among the socio-economic, demographic, and political variables, logged GRP, Infant Mortality, logged Population Density, and Electoral Democracy returned statistically significant coefficient in most of the models. Gross Regional Product is positively associated with the counts of terrorist incidents, i.e., regions with higher economic activity are more likely to experience terrorist attacks, holding everything else constant. Infant Mortality, a proxy for poverty, is positively associated with both the number of domestic terrorist incidents and their lethality. This tentatively suggests that regions with higher poverty rates are more likely to experience higher volume of deadly terrorist incidents. Densely populated areas are also at higher risk of deadly terrorist violence. Lastly, regions with greater electoral democracy are less likely to experience domestic terrorism, in general, and domestic terrorism with higher volumes of casualties, in particular. The number of university students is negatively associated with the counts of terrorist incidents suggesting that greater educational opportunities for youth may serve as an obstacle to terrorism. This finding, however, is below the conventional levels of statistical significance (p<0.1). The higher volumes of in-migration are also associated with higher counts of terrorist incidents in a region, holding other factors constant.

As these findings suggest, the relationship between drug trafficking, as measured by drug seizures, and terrorism is at best indirect. We can infer from this evidence that, while certain socioeconomic, topographic and demographic conditions tend to generate higher incidences of terrorist violence, these conditions do not (on their own) enable the emergence of a trafficking-terrorism nexus. To better understand why such a nexus has not emerged, and the central role of the state in the complex relationships linking criminal and political networks, we now turn to the example of Dagestan.

**Why a Nexus Has Not Emerged: The Case of Dagestan**
The case of Dagestan provides a more fine-grained look into how a highly fragmented political, economic and societal context can produce conditions that undercut opportunities and incentives for a traditional crime-terror nexus to emerge. In what follows, we trace out the obstacles that the region’s ethnic diversity, diffuse and multifaceted illicit economies, and decentralized and divided political apparatus have placed on the emergence of a crime-terror nexus. We then turn to discuss the crime-state-terror nexus, shaped around a loosely integrated web of violent actors (an “armed underground”), that has arisen in its place. Our evidence of this crime-state-terror nexus in the North Caucasus comes from expert interviews in Dagestan conducted in summer 2017 and from selected secondary sources on terrorism in the North Caucasus between 2008 and 2016.

There are several reasons for focusing on Dagestan and the recent time period. First, in April 2009 Russia’s federal government concluded its decade-long counterterrorism operation in Chechnya and began reducing its security presence in Chechnya. More political and security responsibilities were transferred to the Kadyrov administration. Even if Chechnya saw signs of stabilization, the Islamist and nationalist insurgency has transformed into a more diffuse network of groups engaged in a campaign of violence with the bases in the neighboring republics (Dannreuther 2010; Kim and Blank, 2013; Moore, 2007). Ingushetia became the center of gravity of terrorist violence in 2007 with Dagestan bearing the brunt of the majority of attacks in the North Caucasus during 2008-2016. Second, in 2007, the various militant groups of the North Caucasus were integrated into the newly established Caucasus Emirate. Partially a successor to the secessionist Chechen Republic of Ichkeria, the Caucasus Emirate vowed to expel the Russian presence from the North Caucasus and institute an Islamic emirate in the region (Pokalova 2014). Lastly, by the late 2000s, the Kremlin moved away from a counterterrorism approach relying almost exclusively on the use of force. The federal government increased the volume of assistance to the region, began implementing various socio-economic development programs, and increased its involvement in the local affairs through the frequent reshuffles of the republics’ leadership (Omelicheva 2016).

**Ethnicities, Economies, and Violent Entrepreneurs**

Dagestan is the largest republic in the North Caucasus in terms of size and population. It became known to the outside world in 1999, when the Chechen separatist leader Shamil Basayev carried out a raid on Dagestan’s border villages with Chechnya. The attack was allegedly funded by the global jihadi movement (Pokalova 2014). The attackers did not succeed in mobilizing the Dagestanis’ support for the establishment of an independent Islamic state. Although, several Dagestani villages adopted sharia and declared their independence from Russia in 1998, the religious and ethnic-based separatist sentiments remained unpopular among the majority of people there (O’Loughlin, Holland, and Witmer, 2011). While the Kremlin consolidated its formal political authority in Dagestan, the republic saw an uptick in violence in the 2000s.

The reasons for violence are varied, complex, and multifaceted, but all have to do with the competition over formal and informal authority and control over resources in the republic. Dagestan is the most ethnically-diverse republic in the North Caucasus with over three dozen autochthonous national groups and complex kin-based social bases of authority. There are significant religious, cultural, language, and familial differences among these groups that don’t share strong affinity toward each other. With an ethnolinguistic fractionalization measure of 0.84, Dagestan is a culturally decentralized region in which no single ethnic group constitutes more than 30 percent of the population (Lazarev 2014). The three largest ethnic groups are Avars
(approximately 30 percent), Dargins (approximately 16 percent) and Lezgins (about 12 percent). These local centers of authority have always competed with weak formal institutions of governance that have been unable to exercise control over the effective and legitimate use of public resources or curb crime, corruption, and violence. Moreover, individual groups command particular territories (or districts) within Dagestan, enabling them to control particular parts of the drug trade or other illicit economic activity.³ Partly the product of Soviet nationalities policies that resettled many groups in the republic, and partly due to post-Soviet power-sharing politics that has politicized ethnic identities, there have emerged de facto cultural or national districts within Dagestan that are controlled by one group (i.e., Lezgins or Avars) in which other groups do not operate.⁴ There are also several territorial disputes with Dagestan’s neighbors, most notably Chechnya and Azerbaijan, which add to the complex cleavage structure in the republic.

There was also a multiplicity of religious groups, with some that were stringently ideological while others took on religious rhetoric “as a shell” used to cover their deeds. Many in the former category were seeking to secede from Russia and create the Caucasus Emirate or an Islamic state akin to ISIS. Among the latter, a variety of motivations and religious practices were used to justify and legitimate criminal activity (such as extortion, racketeering, and violence), while outwardly maintaining a façade of religious adherence.⁵

Dagestan, along with Ingushetia and the war-struck Chechnya, is among the poorest republics in Russia. The scarcity of resources overlaid with the competing local bases of authority has been feeding corruption and embezzlement of public funds. The Russian government’s effort at economic development of the region, including a significant increase in federal aid, fueled competition for resources. More recently, the Kremlin sought to impose control over the restive North Caucasus by providing lavish financial aid and political backing for handpicked local strongmen capable of maintain authority (often through the use of a ruthless security apparatus) in the republics. This tactic, however, has enabled Kremlin loyalists to build extensive business empires using embezzled federal aid, local budgets, and revenues from a range of criminal activities.⁶ As one of the latter, drug trafficking networks, largely from Armenia’s Nagorno-Karabakh region via Caspian Sea shipping lines, incorporates an array of organized criminal actors and political elites. Generating large revenues, drug trafficking provides strong financial resources to political elites (and those in law enforcement agencies), shaped largely around ethnic group lines.⁷

During the 1990s, there was a fragmentation of non-state violence, which was incorporated into a range of disparate activities. As one informant reflected, during this period, “there was an ongoing struggle for power, property, the distribution of property between the

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³ Interview #13, Makhachkala, August 2017.
⁴ Interview #20, Makhachkala, August 2017.
⁵ Interview #16, Makhachkala, August 2017.
⁶ The former mayor of Dagestan’s capital Makhachkala – Said Amirov – is a point in case. Amirov ruled Makhachkala since 1998 and over time established a “state” within a state. He has been implicated in embezzlement of funds (the federal government invested considerable resource to turn Makhachkala into a port and hydrocarbon hub), covering up and participating in illicit businesses, using extortions, and even ties with the militants. He also had many local enemies and was a victim of multiple assassination attempts. He was arrested in 2013 and sentenced to life in 2015 on charges of terrorism, murder, participation in an illegal armed formation and illegal possession of weapons. Many interpreting his sacking and the trial as the Kremlin’s disinclination to tolerate any longer the “privatization of the state.” Interviews #1, #6, #7, Makhachkala, August 2017.
⁷ Interview #18, Makhachkala, August 2017.
same leaders of national movements and between mafia clan structures. And, of course, each of them had their own armed formations. And these armed formations were used by religious groups, and in the 1990s terrorist organizations in Dagestan existed that were basically organized by means of external forces. The state passed a number of laws in the 1990s seeking to reassert control over these groups, but the laws had taken little effect. It was also a challenge given the dearth of institutional resources historically allocated to the problem of extremism, insurgency and terrorism during the Soviet period. In the 1970s and 1980s, there was only one person assigned to combat these security threats throughout the region.

The Role of the State

To account for these competing political and economic interests linked to the ethnic heterogeneity of the republic, Dagestan had a unique political system. It was ruled by the State Council comprised of fourteen largest ethnicities. The Council served as a collective leadership institution until 2006 when it was replaced with the post of the President appointed by the Kremlin (Halbach and Isaeva 2015; Walker 1999-2000). Even before the appointment of the first President of Dagestan, Mukhu Aliyev (an ethnic Avar), the Kremlin’s efforts at harmonization of regional and federal laws undermined the republic’s “consociational” political system (Ware and Kisriev 2001). By 2003, Dagestan’s largest Muslim ethnic groups – Avars and Dargins – were on the brink of an inter-ethnic conflict over power-sharing arrangement within the State Council (Kim & Blank, 2013). In response to the increasing violence, the Russian President endorsed Magomedsalam Magomedov, the son of Dagestan’s long-time leader Magomedali Magomedov, as the republic’s president in 2010. Magomedov (a Dargin) was viewed as a compromise choice capable of arbitrating the competing political and economic interests in the republic but also willing to use its social and political capital to clamp down on insurgency and dissent (O’Loughlin, Holland, and Witmer 2011). Neighboring Ingushetia saw similar cabinet’s reshuffling. One of the consequences of this “consociational” arrangement, however, has been the penetration of the state by ethnic and sub-ethnic groups as “one clan can have a representative in the structures of the Ministry of Internal Affairs, the prosecutor’s office, and so on… At the same time, the links of these clans with extremist groups are found, in which they are connected even with well-known political leaders. It can be said that organized crime sometimes uses extremist groups for its own purposes (suppressing competitors and so on).”

This decentralized political arrangement was considered almost “feudal” in nature, giving rise to a system in the 1990s “in which the heads of large municipalities, several large [economic] entities performed the peculiar role of mafia bosses and bosses of organized criminal communities.” In Chechnya, the policy of co-optation of local elites accompanied by the delegation of security responsibilities to the new local rulers supported by the Kremlin quelled the large-scale violence. However, in Dagestan, the same move has escalated political tensions. Locally manned security units working with the reinforcement from the federal law enforcement agencies engaged counter-insurgency operations across Dagestan produced a correspondingly larger response. As a consequence, violence in the republic was at its highest in 2013 (possibly reflecting the mafia-style battle that erupted over the business and political interests controlled

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8 Interview #12, Makhachkala, August 2017.
9 Ibid.
10 Interview #11, Makhachkala, August 2017
11 Interview #3, Makhachkala, August 2017.
by the sucked mayor of Makhachkala), decreasing somewhat in 2014 and 2015, but picking up again in 2016.

While there is no doubt that there has been a spillover effect of violence from Chechnya and the brutal suppression of the fundamentalist religious trends that contributed to violence in Dagestan, in this republic as well as in the border North Caucasus region, violence has been part and parcel of the completion for authority and control of resources between the local bases of power themselves as well as with the federal government. Since 2013, the Kremlin’s efforts at centralization of power led to the erosion of traditional power-sharing arrangements in Dagestan and fueled crime, corruption, and violence. This reassertion of “vertical” power in Dagestan has consolidated the disparate groups and reduced levels of competition among organized crime groups and militants, both in their uses of non-state violence and within the state apparatus. At a 2017 forum of civil society leaders, there was a general opinion that the greatest threat in the region was no longer extremist violence or terrorist attacks, but the absence of political competition in elections and the absence of a rule of law in the republic. Such a shift was partly attributed to the decline in violence but also to a marked increase in the criminalization of the elite in Russia’s national republics (including Dagestan). Another informant reaffirmed this gradual decline in a rule of law as few people sought recourse with state authorities (and the courts), turning to separate customary and “Sharia courts.”

A Crime-State-Terror Nexus: An “armed underground”

Despite the presence of some of the conditions favoring the development of organized criminal networks and terrorist activity, a traditional crime-terror nexus has not arisen in Dagestan. Taken together, a host of factors – the diversity of ethnic and sub-ethnic groups, the complex ideological and strategic perspectives characterizing religious actors, the proliferation of violent entrepreneurs, and the infrastructurally weak, decentralized state apparatus in Dagestan – has worked to fragment power across multiple vectors and prevented the emergence of a consolidated crime-terror nexus. In its place, however, a more diffuse, fragmented nexus has emerged, which we label here as a “crime-state-terror” nexus, reflecting the deep interpenetration of these forces with the state. This interpenetration began in the early/mid-2000s as state authorities in Dagestan absorbed spheres of influence previously controlled by organized crime and religious groups. On one hand, political elites, security services and intelligence agencies supplanted organized crime in many areas, engaging in contraband, drug trafficking, racketeering, extortion, and providing physical security for a range of other criminal activities. On the other hand, these economic and political interests permeated these authorities (regional and federal offices in Dagestan). What emerged was what one informant described as an “armed underground” – networks of political leaders, state officials, organized crime actors, permeated by ethnic, religious, and clan ties, that use violence as a resource to support, control and profit from Dagestan’s illicit economy. This composite of intersecting networks is so expansive, decentralized, and diffuse that it is often impossible to determine who is the decision-maker at any given moment.

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12 For a similar situation in Ingushetia, see Pokalova 2014)
13 Multiple interviews, Makhachkala, August 2017.
14 Interview #14, Makhachkala, August 2017.
15 Interview #15, Makhachkala, August 2017.
16 Interview #17, Moscow, August 2017.
As prevalent as drug trafficking has been in North Caucasus, it has been highly fragmented and carried out by predominantly small groups (rather than large criminal networks with transnational ties) (Galeotti 2017; Paoli 2001). It has been one of the many other criminal activities in the portfolios of criminal groups engaged in drug trade. The local officials and representatives of the federal governments have plugged into the drug trade, but it has not been the main source of revenue for the local formal and informal elites (including the criminal world). The vast and deep-rooted shadow and criminal economy in the North Caucasus has been rooted in illicit oil production and trade, embezzlement of federal funds, extortion on legal businesses, and smuggling of alcohol and tobacco product in Russia.

As one informant noted, some of the heads of municipalities were financially supported by different kinds of combat groups… support that is used to provide themselves security. Prominent cases include members of the regional legislature who, after fighting in the two wars in Chechnya, had been amnestied and entered politics. Such leaders not only intervened to defend militants who were detained by internal security forces in Dagestan, they also used threatened to use them to destabilize the region if the state sought to arrest them.17 As another informant explained, drug trafficking was often merged with other illegal businesses run by organized crime groups and these activities were well known to be connected with political figures and security structures in the regions.18

The economies of Dagestan, Ingushetia, and Chechnya are about three-quarters subsidized by Moscow. The Kremlin injected billions of dollars into large-scale investment projects, including those for the Sochi Olympics, and development of infrastructure and educational and cultural establishments. There are analyses that show how a considerable percentage of these funds has been embezzled. Therefore, these investments not only failed to mitigate the tensions, but even contributed to the appearance of new centers of conflict, as resource-related conflict arise.

Despite the rhetorical replacement of localized claims for national independence with a broader Salafist cause, the Caucasus Emirate has remained a local project that emerged and responded to rampant corruption, pervasive poverty, lack of effective governance, and repression by local and federal security forces (Youngman 2016). This local orientation was strengthened with the departure of foreign fighters from North Caucasus and the dwindling foreign support of the insurgency in the region. Further, the outflow of North Caucasus fighters to other combat zones increased (departure of some of the more ideologically-driven mujahedeen willing to fight for the broader global jihadist cause).

Despite all efforts at centralizing the terrorist campaign, the organizational structure of the insurgency became increasingly loose, made up of largely autonomous cells. On the one hand, it allows for greater adaptability and resiliency of the terrorist network. But, on the other hand, the insurgency becomes so diffuse that it loses its “identity” and common purpose.

This also explains the tactics and targets of violence. While there are undoubt large-scale terrorist incidents targeting civilians inside and outside the region the majority of attacks have aimed at the law enforcement and government representatives. They targeted infrastructure (railway, communications centers, electricity lines, etc.). As Campana and Ratelle (2014) argue recruitment and targeting have been driven by “local imperatives.” Ratelle (2013, 5) concurs by arguing that the Caucasus Emirate’s leadership has always focused on the Russian state and its local proxies. This local vs. global divide contributed to the split within the Caucasus Emirate

17 Interview #5, Makhachkala, August 2017.  
18 Interview #11, Makhachkala, August 2017
with the majority of its cells (vilyats) pledging alliance to ISIS. However, the departure of the hardened mujahedin has further localized the struggle.

**Conclusion**

The article has examined the conditions that hinder, if not prevent, the rise of a crime-terror nexus even when conditions are present that promote the proliferation of its constituent elements (drug trafficking, non-state violent actors, terrorist networks, organized criminal groups, etc.). It argued that a range of conditions – including multiple and politicized ethnic and sub-ethnic identities, complex and shifting religious ideologies, the rise of varied entrepreneurs of violence, and a weak and internally divided government apparatus – fragmented the very elements of a crime-terror nexus to such a degree that coordination among them proved too difficult and costly. The article explored the empirical implications of this argument through a rigorous examination of the case of Russia. First, it demonstrated the absence of a crime-terror nexus in Russia, using GIS-enabled visualizations of the different spatial patterns of drug trafficking and terrorism across the country and by conducting a series of subnational statistical tests on the weak relationship between trafficking and incidences of terrorist attacks. Second, it pursued a more fine-grained study of one region in Russia’s North Caucasus, Dagestan, to trace out the specific conditions and their complex interface with the state. Evidence from Russia, both across its regions and from expert interviews in Dagestan, support the concept of an alternative nexus emerging – a crime-state-terror – that is characterized by a complex array of groups, which are connected by diffuse and fractured networks interwoven with and at times indistinguishable from political and state officials.

The case of Russia illuminates important variations of the crime-terror nexus within Eurasia. The decentralized, fragmented networks linking criminal and terrorist groups with the state in the North Caucasus differ markedly from the highly consolidated, centralized networks of much of Central Asia (especially postwar Tajikistan), where the state has successfully consolidated its control over the drug trade, absorbed non-state violent entrepreneurs into the state, enhanced its coercive capacity, and subordinated its crime-terror nexus to state predation. Future studies beyond Eurasia will shed further light on the permutations in the crime-terror nexus and the conditions that produce them.

**Selected Bibliography**


